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SUBJECT: 2006-2007 SENEGAL INCSR PART II: FINANCIAL  
CRIME AND MONEY LAUNDERING (FIRST OF TWO CABLES)

REF: STATE 157136

#### OVERVIEW

1. This cable is Part II of the 2006 National Narcotics Control Strategy Report (INCSR), Financial Crimes and Money Laundering report for Senegal. Included is a narrative overview (paras 2-12). Para 13 contains responses keyed to the numbered questions beginning with Reftel paragraph 17.

2. Senegal is vulnerable to money laundering. There is some evidence of increasing criminal activity by foreigners, such as drug trafficking by Latin American groups and illegal immigrant trafficking involving Pakistanis, however there is little evidence of laundering by foreign criminal groups. Rather, anecdotal evidence suggests that most laundering involves domestically-generated proceeds from corruption and embezzlement. Dakar's hot real-estate market is largely financed by cash and ownership of properties is non-transparent. The building boom and high property prices suggest that an increasing amount of funds with an uncertain provenance is available for property speculation. Other areas of concern include: cash, gold and gems transiting Senegal's airport and porous borders, real estate investment in the Petite Cote south of Dakar, and money/trade centered in the region of Touba, a largely autonomous and unregulated free-trade zone under the jurisdiction of the Mouride religious authority. This latter region reportedly receives between 550 and 800 million dollars per year in funds repatriated by networks of Senegalese vendors abroad.

3. Seventeen commercial banks operate alongside a thriving micro-credit sector. Western Union, MoneyGram and MoneyExpress, associated with banks, are ubiquitous, suggesting that, while informal remittance systems exist, they are not a large threat to the business of the licensed remitters. The Central Bank of West African States (BCEAO), based in Dakar, is the Central Bank for the countries in the West African Economic and Monetary Union (WAEMU or UEMOA): Benin, Burkina Faso, Guinea-Bissau, Cote d'Ivoire, Mali, Niger, Senegal and Togo, all of which use the French-backed CFA franc (CFAF) currency, which is pegged to the euro. The Commission Bancaire, responsible for bank inspections, is based in Abidjan.

¶4. On February 6, 2004, Senegal became the first WAEMU country to enact the WAEMU Uniform Law on Money Laundering (the Uniform Law). The new legislation largely meets international standards with respect to money laundering; it does not comply with all Financial Action Task Force (FATF) recommendations concerning politically-exposed persons, and lacks certain compliance provisions for non-financial institutions. The law does not deal with terrorist financing.

¶5. Senegal's Financial Intelligence Unit (FIU) became operational in August 2005. Since that date it has received 59 (11 in 2005 and 48 in 2006) suspicious declarations and has referred nine cases (three in 2005, six in 2006) to the Prosecutor General. All but two of the declarations have been made by banks. The other two came from Customs. Of the referrals, one concerns drug trafficking, one diamond trafficking, one relates to tax fraud, and three are corruption related. No cases have concluded, although one arrest has been made. The FIU currently has a staff of 23, including six appointed members: the President, who by law is chosen from the Ministry of Economy and Finance, and five others detailed from the Customs Service, the BCEAO, the Judicial Police, and the judiciary. The FIU also relies on "correspondents" in the relevant governmental institutions, who can be asked to provide information relevant to the FIU's investigations. With French sponsorship, Senegal's FIU is a candidate for membership in the Egmont Group. Its candidacy is on hold pending the adoption of a terrorist financing law.

¶6. Official statistics regarding the prosecution of financial crimes are unavailable. There has been one known conviction for money laundering since January 1, 2005, which resulted in the confiscation of a private villa.

¶7. The BCEAO is working on a "Directive against Terrorist Financing." The directive is expected to be presented to the WAEMU Council of Ministers in December 2006. If adopted, the member states would be directed to enact a law against terrorist financing, which most likely would be presented as a Uniform Law in the same manner as the AML law. Because, like the AML law, it is a penal law, each national assembly must then enact enabling legislation to adopt the law. (NOTE: Since the uniform AML law was adopted by WAEMU in 2002, four of the eight member countries have enacted it. END NOTE.) In addition, the FATF-style regional body for the 15-member Economic Community of Western African States (ECOWAS), GIABA (African Anti-Money Laundering Inter-governmental Group) has drafted a uniform law, which it hopes to have enacted in all of its member states, not just the WAEMU states. GIABA will present its draft at a conference November 21-23 in Niamey.

¶8. The UN 1267 Sanctions Committee consolidated list is circulated both by the GOS through the FIU and by the BCEAO to commercial financial institutions. To date, no assets relating to terrorist entities have been identified. The WAEMU Council of Ministers issued a directive in September 2002 requiring banks to freeze assets of entities designated by the Sanctions Committee.

¶9. Senegal has entered into bilateral criminal mutual assistance agreements with France, Tunisia, Morocco, Mali, The Gambia, Guinea Bissau, and Cape Verde. Multilateral ECOWAS treaties deal with extradition and legal assistance. Under the Uniform Law, the FIU may share information freely with other FIUs in WAEMU, however, at present, only Senegal and Niger have operational FIUs. The FIU has signed an MOU to

exchange information with the FIUs of Belgium and Lebanon, and is working on other accords. In general, the GOS has demonstrated its commitment and willingness to cooperate with United States law enforcement agencies. In the past the GOS has worked with INTERPOL, Spanish, and Italian authorities on international anticrime operations.

¶10. Senegal is a party to the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime, the 1999 UN International Convention for the Suppression of the Financing of Terrorism, and the Convention against Corruption. Senegal also is a signatory to the African Union Convention on Terrorism Finance.

¶11. Senegal has made considerable progress in establishing an operational FIU. However, a complicated political climate in advance of the 2007 elections, a generally non-transparent police and judiciary, and governmental interests in the banking sector threaten to retard any efforts to take this progress to the next level of actual prosecutions and convictions. Recent arrests of opposition politicians, journalists, and a corruption scandal that resulted in the early retirement, rather than prosecution, of the implicated judges, illustrate the weakness in the rule of law in Senegal.

¶12. The Government of Senegal should continue to work with its partners in WAEMU and ECOWAS to establish a comprehensive anti-money laundering and counter-terrorist financing regime. Senegal should work on achieving transparency in its judicial, financial and real estate sectors; however, to the extent the money laundering risks in these sectors stem from governmental actors, this task will be difficult. Senegal and the region should establish better control of cross-border currency transfers.

#### RESPONSES TO SPECIFIC REFTEL QUESTIONS

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¶13. The following responses are to specific Reftel paragraphs/questions:

#### GENERAL QUESTIONS

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Question 17: Is the country (or territory or dependency) considered an important regional financial center (such as Hong Kong, Singapore, Panama, Switzerland, etc.)? What is its significance in terms of money laundering?

-- Senegal is not considered an important regional financial center, although the financial sector is growing. Senegal's banking sector is governed by the BCEAO, which issues the euro-pegged CFAF. Along with the BCEAO, which is headquartered in Dakar, Senegal, the ?Commission bancaire? is a supranational supervisory entity created in April 1990 to control and oversee financial institution operations. There are 17 banks, several of which have opened in the last few years, despite the estimate that fewer than 10 percent of Senegalese have accounts.

-- The largest (by investment and earnings) commercial banks (2005 figures) are dominated by French banks: Societe generale de Banques au Senegal (SGBS), Banque Internationale pour le Commerce et l'Industrie au Senegal (BICIS), Compagnie Bancaire de l'Afrique de l'Ouest (CBAO) and Credit Lyonnais (CL). As of FY 2005, SGBS provided CFAF 300 billion (USD 600 million) in loans for private investment projects and its after tax earnings reached CFAF 7 billion (USD 14 million). Citibank, the only U.S. bank, is active in corporate financing. Bank of Africa and Ecobank have an impressive network spread throughout West and part of

Central Africa. Moroccans (Attijariwafa), Libyans (Banque Sahelo-Sahelienne pour le Commerce et l'Industrie) and Saudis (Banque Islamique) are also present in the banking sector. One bank, the Banque de l'Habitat du Senegal (BHS), has affiliates licensed as money remitters in the United States. BHS New York was recently the subject of an enforcement action by New York state authorities for failing to comply with anti-money laundering regulations.

-- Other financial institutions, including insurance companies, a venture capital firm, and a leasing company, are also present. The West African Regional stock exchange (BRVM) is headquartered in Abidjan with local offices in each of the WAEMU member countries. A few Senegalese firms are listed on the BRVM. There is free convertibility of the CFA franc via the banking system for commercial transactions.

-- The significance of money laundering in Senegal is hard to gauge. The most likely source of money laundering is corruption and embezzlement, and grand corruption is unlikely to turn up in governmental reporting. That said, three of the six referrals made by the FIU to the Public Prosecutor reportedly concern corruption, but none of these cases has become public. Money laundering risks include large cash transfers through the airport; large remittances from overseas Senegalese, particularly through the regions of Diourbel (including the city of Touba) and Louga; and real estate investment in Dakar and the Petite Cote. Customs sources report that large amounts of currency in dollars, euros and sterling routinely transit the airport, and there have been significant seizures of cash entering Senegal from The Gambia. As noted above, some reports estimate that between USD 550 and 800 million is repatriated to the Diourbel and Louga regions annually by networks of overseas Senegalese vendors. The buoyant real estate market creates opportunities to recycle funds, and the strong market in luxury properties does not appear, in a cursory analysis, to match local capital availability. Given the small customer pool, the number of casinos in Senegal (reportedly over 15) is striking.

Question 18: To the extent it is known, is money laundering/terrorist financing primarily related to narcotics proceeds? (If applicable, specify drug.)

If not, what is the major source(s) of the proceeds? Also to the extent known, do the criminal proceeds laundered in the jurisdiction derive primarily from domestic or foreign criminal activity? Are the money laundering proceeds controlled by local drug-trafficking organizations, organized crime, or terrorist groups?

-- As noted above, one FIU referral reportedly involves drug trafficking. The most common source of proceeds, however, is probably corruption. With respect to drugs, there is substantial cultivation of marijuana in Senegal for the European market, and there appears to be a growing traffic in cocaine from South America through West Africa to Europe. The quantity of drugs seized in Senegal is quite low, however. There is some sense that some remittance money, invested in luxury property and vehicles, comes from drug dealing by Senegalese in Europe and the United States. In 2005, the Senegalese confiscated several properties of a drug dealer convicted in the United States.

-- To the extent that the Senegalese vendor networks in the U.S. and Europe deal largely in counterfeit goods, remittance of these proceeds could be viewed as laundering. Most of these networks and proceeds are reportedly controlled by the religious authorities of the Mouride Brotherhood.

Question 19: Is there a significant black market for smuggled goods in the country? If so, do you believe it is significantly funded by narcotic proceeds or other illicit proceeds? Does contraband smuggling generate funds that are laundered through the banking system?

-- There is a significant informal (grey) market in just about everything. Government intellectual property experts report a growing problem with counterfeit pharmaceuticals, building supplies and other goods. Piracy of movies, music and software is widespread. It does not appear to be narcotics-funded or to involve laundering through the banking system. A high proportion of smuggling is conventional economic activity conducted by traders seeking to avoid duties and taxes, and by foreign exporters taking advantage of lax or nonexistent quality control standards and consumer protection laws to sell goods that are unmarketable elsewhere.

Question 20: Does money laundering/terrorist financing occur in the banking system, within an offshore financial center or free trade zone, or in the non-bank financial system (e.g., exchange houses) or via alternative remittance systems such as hawala, or all areas? Is the country experiencing an increase in financial crimes, not limited to money laundering or terrorist financing, such as bank fraud and counterfeit currency? Please explain.

-- The potential for significant involvement in money laundering by all sectors exists. As discussed above, the banking sector is becoming more compliant on paper with international standards, but the potential for corruption and insider-based money laundering is still strong. The area around Touba has been compared to a free-trade zone, and the lack of transparency in trade transactions generally creates a risk of money laundering. Senegal is not obviously linked to any offshore financial center.

-- In addition to remittances via Western Union and other formal systems, there are also some informal money transfer systems, similar to hawala systems.

-- It is unclear whether Senegal is experiencing an increase in financial crimes. Anecdotal evidence from the foreign business community indicates a worsening climate for foreign investment due to non-transparent decision-making within the judiciary and government, an indication of increasing corruption. Official statistics regarding prosecution of financial crimes are unavailable.

Question 21: To the post's knowledge, do the country's financial institutions engage in currency transactions involving international narcotics trafficking proceeds that include significant amounts of United States currency or currency derived from illegal drug sales in the United States or that otherwise significantly affect the United States?

-- Because of Senegal's historically close ties to France, the majority of Senegal's international currency transactions are denominated in euros. Senegal's financial institutions do not appear to have a significant role in laundering drug proceeds.

#### OFFSHORE FINANCIAL CENTERS

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Questions 22 to 24: These questions are not applicable, and are not reproduced, as Senegal has no offshore banking or other institutions.

## FREE TRADE ZONES

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Question 25: Are there free trade zones operating in the jurisdiction? If so, please give the number and briefly describe operations, capability and function.

-- The Dakar Industrial Free Trade Zone (ZFID) was established in 1974 to encourage foreign investors to set up intensive export-oriented companies. Its enabling statute has been extended until 2016, but only for companies already established within the zone. The U.S. pharmaceutical company, Pfizer, has a manufacturing plant in the ZFID. The ZFID is largely inactive with few companies present.

-- As stated above, the city of Touba is by statute an autonomous territory within Senegal. It is the headquarters of the Mouride Brotherhood, and the city is governed by the Mouride khalife. The city has seen enormous economic growth, which one commentator attributes almost entirely to the transnational trafficking in contraband.

Question 26: Is there any indication that these free trade zones are being used in trade-based money laundering schemes or by the financiers of terrorism?

-- There is no indication that the ZFID is being used by financiers of terrorism or in trade-based money laundering schemes. There is no evidence that Touba is used for terrorist-financing; trade-based laundering certainly occurs if one considers the sale of counterfeit goods on the streets of New York, for example, to be a predicate crime.

Question 27: What type of supervisory programs and/or due diligence procedures is in place to monitor activities in the free zone? Are there identification requirements for companies and individuals who use the zone?

-- Police forces and customs officials monitor activities in the ZFID. Companies and individuals that use the zone are identified and registered. With respect to Touba, there have been recent improvements that have allowed the gendarmerie to begin policing Touba, and reportedly trafficking in arms has diminished. The FIU has not yet grappled with AML enforcement issues in Touba, although it has recognized the need to do so.

## LAWS AND REGULATIONS TO PREVENT MONEY LAUNDERING

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Question 28: Is money laundering a criminal offense in this country?

-- Yes, in 2004, Senegal became the first WAEMU country to pass WAEMU harmonized legislation establishing a uniform law on money laundering.

Question 28 (continued): Does the law apply only to drug-related money laundering? Does the country list specific crimes or take an all serious crimes

approach? Note: In some jurisdictions, anti-money laundering laws cover ?all serious crimes? which are defined as crimes that carry a threshold minimum sentence in the jurisdiction?s penal code. If the country lists specific crimes, what offenses are covered? If there is a threshold minimum, what is that threshold?

-- Previously, criminal prosecution of money laundering had been tied to Senegal?s anti-narcotics legal code. Under the new legislation, the source of the proceeds can be any crime.

Question 29: Has the country enacted secrecy laws that

prevent disclosure of client and ownership information by domestic and offshore financial services companies to bank supervisors and law enforcement authorities?

-- The uniform law on money laundering enables banking information to be shared with law enforcement authorities. The law states: "Notwithstanding all contrary legal provisions or rules, professional secrecy may not be invoked . . . to refuse providing information to the control authorities."

QUESTION 30: Do current laws provide for the establishment and funding of a financial intelligence unit (FIU)?

-- Yes, Senegal was the first WAEMU country to establish a functioning FIU.

#### FINANCIAL SECTOR

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Question 31: Who supervises and examines financial institutions for compliance with anti-money laundering/counter-terrorist financing laws and regulations?

-- The Banking Commission has the responsibility to supervise financial institution compliance with AML/CTF laws and regulations. The Commission reportedly has conducted some AML compliance examinations; however, due to the fact that half of the member states have not adopted the uniform law, its efforts have been limited.

Question 32: Are banks and other financial institutions required to know, record, and report the identity of customers engaging in significant transactions, including the recording of large currency transaction at thresholds appropriate to the country's economic situation? What is the statutory threshold?

-- Yes, banks and other financial institutions are required to know, record, and report the identity of any customers engaged in significant transactions, including the recording of large currency transaction at thresholds appropriate to the country's economic situation. Banking regulations state that to open a personal account a customer must provide appropriate ID, two photos, and a permanent address through the presentation of a telephone, water, or electricity bill. The bank monitors and record the origin of any deposit higher than CFAF 5 million for a single individual account (USD 10,000) and CFAF 20 to 50 million for any business account.

Question 33: Are banks and other financial institutions required to maintain for an adequate time records necessary to reconstruct significant transactions through financial institutions in order to be able to respond quickly to information requests from appropriate government authorities in narcotics-related or other money laundering or terrorist finance cases? For how long?

-- The law requires financial institutions to preserve records for at least ten years.

Question 34: Are the money laundering controls applied to non-banking financial institutions, such as exchange houses, stock brokerages, cash couriers,

casinos, insurance companies, etc., and to intermediaries, such as lawyers, accountants, or brokers/dealers? Who supervises such entities for compliance?

-- The law applies to a host of sectors, including all of those listed above and others. Some entities have

government regulatory authorities; others (such as attorneys and accountants) have professional supervisory authorities, while others have no effective regulator. The FIU is considering the issue of how to handle compliance in the sectors lacking a functional regulator.

Question 35: Do financial institutions report suspicious transactions? Is such reporting mandatory or voluntary? Is reporting required for all suspicious transaction, or is there a threshold amount below which suspicious transaction reports are not required? Are non-bank financial institutions required to report such transactions?

-- The law requires financial institutions to report suspicious transactions to the FIU; in 2005, the CENTIF received 11 declarations and to date in 2006 it has received 48. There is no minimum threshold. Non-bank financial institutions are also required to report.

Question 36: Are reporting individuals (bankers and others) protected by law with respect to their cooperation with law enforcement entities?

-- Reporting individuals and their supervisors are accorded full civil and criminal immunity (as well as protection from professional sanctions) for information provided to the FIU in good faith.

Question 37: Are there statutory requirements for limiting or monitoring the international transportation of currency and monetary instruments?

-- In general, all incoming currency and monetary instruments must be deposited in a bank, the post office, or changed at an authorized foreign exchange bureau within 30 days. There is no limit on the amount. The entities report receipts monthly to the BCEAO. Outgoing transfers must be handled by banks, the post office, or, in the case of cash or travel checks for travelers, by authorized change bureaus. Regulations provide a long laundry list of justifications for transfers; such transfers can be done by the financial institutions without authorization as long as the transferor provides documentation of the purpose of the transfer (and, in the case of the Post and change bureaus, is within a certain amount). A notable exception is transfers for the purpose of foreign investment, which, as with any other purpose not on the list, must be approved by the Minister of Finance. Financial institutions report outgoing transfers monthly to the BCEAO.

Question 38: Please describe cross-border currency reporting requirements, including those that apply to cash couriers?

-- On entry, non-residents must declare in writing any currency from outside the zone franc in the amount of CFAF one million (approximately USD 2,000) or more, as well as monetary instruments denominated in cash in any amount. On exit, non-residents must declare in writing any non-franc-zone currency above approximately USD 1,000 as well as all monetary instruments from foreign entities. Residents are not required to declare currency on entry; on exit, they must declare in writing amounts any foreign currency and any monetary instruments greater than approximately USD 4,000. These requirements are for the purpose of currency control and are not well enforced.

#### FINANCIAL INTELLIGENCE UNIT/INVESTIGATION

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Question 39: Has the country established and

adequately staffed a financial intelligence unit (FIU)? Where in the Government is it housed; e.g., within the finance or national police ministry, as an independent agency, etc.

-- Senegal has established an FIU with 23 employees, 12 of whom are professional staff and 11 administrative support staff. The FIU is within the Ministry of Economy and Finance, although its staff is drawn from several ministries.

Question 40: Describe the authorities and functions of the FIU. Is it an administrative body that performs analytical duties or does it also have criminal investigative responsibilities? Does it have regulatory responsibilities?

-- A senior Treasury Inspector administers the FIU. Its mission, among other things, is to receive and analyze suspicious activity declarations, and, where appropriate, to refer files to the Prosecutor General. It is an administrative-type FIU, but has the authority to obtain information through correspondents within police entities (as well as within other government entities). It also has two senior police inspectors and a customs officer on staff. Some of its functions could be viewed as investigative, but it is not clear where the limits of its investigative authority lie. It does not, at present, have regulatory responsibilities.

Question 41: Does the FIU have access to the records or databanks of other government entities? Financial Institutions? Does it have formal mechanisms in place to share information domestically or with other FIUs?

-- The FIU has the authority to request information from any government entity through its correspondents as well as from any reporting entity (i.e., financial and designated non-financial entities). Under the uniform law, information can be shared freely among the FIUs in WAEMU; at present, however, there is only one other operational FIU (Niger). The FIU has signed an accord with the FIUs in Belgium, Lebanon, and Nigeria, and is in the process of negotiating additional accords.

Question 42: How many suspicious transaction reports (STRs) were received in 2006? How many were the subject of investigation or resulted in referrals to law enforcement for investigation?

-- In 2006 to date, the FIU has received 48 STRs and has made 6 referrals to the Prosecutor General.

Question 43: Which government bodies are responsible for investigating financial crimes, including money laundering and terrorist financing? Are they adequately staffed and trained to fulfill their responsibilities?

-- Apart from the FIU, the police, gendarmerie and judiciary, through the judicial police, are responsible for investigating money laundering and terrorist financing. The U.S. Department of Treasury presented a two-week financial investigations training course in early 2006, which was directed towards personnel who are involved in investigating matters referred by the FIU. In addition, the French government is sponsoring a project to create specialized services to handle economic and financial crimes within the judicial police, the prosecutors' office and among the investigating judges.

Question 44: Have there been arrests and/or prosecutions for money laundering or terrorist financing since January 1, 2006. How many? Please report highlights of any major cases not previously

reported.

-- One suspect is known to have been arrested and interviewed but the details of the case have not been provided as it is still before the investigating judge.

Question 45: Has the jurisdiction criminalized the financing of terrorism as required by the United Nations Security Council resolution 1373? If so, please provide title of act, date of enactment, and pertinent details. If the jurisdiction has an ?all serious crimes? anti-money laundering law, please indicate if terrorism and terrorist financing are considered ?serious crimes.?

-- As happened with the uniform law against money laundering, the BCEAO has taken the lead in drafting a directive against terrorist financing, which it expects to present to the WAEMU Ministers? meeting for consideration in December 2006. Once adopted by the Ministers, a Uniform law will be drafted and be available for adoption by the parliaments of member states. GIABA has a draft uniform law for all ECOWAS states that will be discussed at a seminar in Niamey in November 2006.

Question 46: Has the jurisdiction circulated to its financial institutions the list of individuals and entities that have been included on the UN 1267 sanctions committee?s consolidated list as being linked to Usama bin Ladin, members of the Al Qa?ida organization or the Taliban, or that the USG or the EU have designated under relevant authorities. If so, did the jurisdiction identify, freeze, seize, and/or forfeit related assets in 2005? If so, please provide dollar amount.

-- The list is circulated both by the FIU and by the BCEAO to commercial financial institutions. To date no assets relating to terrorist entities have been identified.

Question 47: Does the jurisdiction acknowledge the existence and use of indigenous alternative remittance systems that by-pass, in whole or part, financial institutions? Describe the steps the jurisdiction has taken regarding regulating alternative remittance systems, such as hawala, black market exchanges, money remitters, trade-based money laundering, cross border cash smuggling, or the misuse of gold, precious metals and gems.

-- Senegalese authorities acknowledge the existence and use of indigenous alternative remittance systems that by-pass, in whole or part, financial institutions. Such entities are illegal; however, there is little effort at present to enforce the law. The banks complain about this sector; at the same time, however, the prevalence of bank-affiliated services such as Western Union, and the presence of money remitters abroad opened by Senegalese banks (such as BHS New York) indicate that banks are competitive in this arena. Banks have also expanded into Touba, showing that the economy is open to the formal, as well as informal, sector. All financial institutions must report suspicious transactions to the FIU. With respect to trade-based laundering, Customs is fairly well-automated and does share trade information, which it uses in part to spot fraud, with a few states including Mali, and, previously, Cote d'Ivoire. In theory, this could be expanded to look for trade-based laundering, but the quality of data is suspect. Dealers in high value goods are required to file suspicious activity reports to the FIU although to date none have done so. By law, the import and export of gold in commercial quantities must have the

authorization of the Minister of Economy and Finance, but it is not clear that this requirement is enforced or even known by Customs agents. Cross-border currency, gold and gem smuggling is common; however, Customs' ability to investigate quickly is low, and therefore most goods are released. Similarly, large and suspicious cash shipments go through unchecked because there is no ability to investigate or hold the money. Customs also is required to report suspicious transactions to the FIU and has done so on two occasions to date.

Question 48: Discuss the efforts the jurisdiction has taken to thwart the misuse of charitable and/or non-profit entities that can be used as conduits for the financing of terrorism?

-- Regulation of charities is shared between the Ministry of Family and Social Development and the Ministry of Interior. In theory, NGOs are subject to certain transparency and audit requirements; due to lack of means, however, in practice the regulation is administrative only. Reportedly, the police do watch certain NGOs, including those thought to present a risk of terrorism, and believe the sector to be high risk and badly regulated. The WAEMU uniform AML law adopted by Senegal covers charitable and non-profit entities, which are required to file suspicious transaction reports. There is no terrorist financing law.

#### CASH SMUGGLING

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Question 49: Bulk cash smuggling and the use of cash couriers to move the proceeds of crime and terrorist funding are of significant concern to the USG. Are there laws criminalizing smuggling cash into and out of the country? If so are Customs officials aware of cash courier problems and capable of dealing with the issue?

-- See Response to Question 47.

Question 50: Are cash smuggling reports shared between host government entities (in particular with an existing FIU)?

-- Currency declarations are not shared, although there is an informal agreement to do so. Customs is required and has filed Suspicious Activity Declarations with the FIU. See Response to Question [47](#).

JACOBS